

The 2003 Linkage Excellence in Management & Leadership Series

# **Innovation and Strategy**

Featuring Gary Hamel



Dear Participant:

Welcome to Linkage's 2003 Excellence in Management and Leadership Series. Today's program, Innovation and Strategy, features Gary Hamel, Founder and Chairman of Strategos and Visiting Professor of Strategic and International Management at London Business School.

Specifically, the program will focus on:

- How managers can assume the role of a change agent and innovator
- The elements and conditions that produce strategic innovation
- How to understand the components of the new, nonlinear, competitive industry revolution

Some of the key themes surrounding innovation and strategy that Gary Hamel will share with you are:

- The skills and capabilities that managers of the 1990's possessed do not have the same value going forward in today's world.
- Success is more fragile than ever.
- The world is becoming more turbulent faster than most companies are becoming more resilient.
- It is important to understand the relationship between resilience, renewal, and revolution.
- Getting started on the road to resilience demands thought in four realms: cognitive, strategic, political, and ideological.
- In order to manage organizational change, companies must focus on three key items:
  - Resilience: Continual reconstruction
  - Renewal: Creative reconstruction
  - Revolution: Creative deconstruction

These participant materials have been designed to complement your conversation with Gary Hamel. Use them to record your notes, ideas, questions, and insights. At the end of the program, you will be asked to submit questions directly to Mr. Hamel via fax, telephone and/or email.

Learning is an activity that requires more than passively watching a speaker. Simply watching today's program will neither instill leadership knowledge or skills, nor result in an immediate change in your organization's culture and strategic positioning.

Learning requires the active engagement of your mind and spirit - the motivation and drive to reflect, apply, practice, and experiment.

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## About Linkage

Linkage, Inc. is a leading provider of leadership and management development training programs, services, and products. More than 100,000 executives and management professionals have attended a Linkage institute, conference, workshop, or corporate education program. Linkage also provides assessment, consulting, and research services to Fortune 500 companies and other leading organizations. Founded in 1988, Linkage is headquartered in Lexington, Massachusetts, with regional offices located in Atlanta, Brussels, London, Minneapolis, and San Francisco. In both 1997 and 1998, Linkage was honored as one of the “Inc. 500 Fastest Growing Private Companies in the United States.”

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**SECTION 1**

**Satellite Program Materials**

## **What You Will Learn**

To serve the role of a change agent as a leader of an organization is a challenge under any circumstance – especially in the midst of an environment in which industries are going through a new, nonlinear, and competitive revolution. Participants in the program with Gary Hamel will have the opportunity to learn firsthand the lessons of innovation and strategy that are crucial to success in today's changing world.

## **Introduction and Basic Premises**

Gary Hamel believes that the key to success is to build resilience within an organization where innovation is an everywhere, all-the-time capability. Innovation can become a way of life within an organization when all three contributing factors merge in the environment: revolution, renewal, and resilience. Throughout his career, Gary Hamel has studied the concept that the balance between optimization and innovation within a company is crucial in order for the organization to thrive in its present industry conditions.

## **Question-and-Answer Session**

- If you are participating only in the live presentation of this program, complete the fax form, send an e-mail or call your questions to Gary Hamel using the question sheet on page 25.
- If you are participating in a post-broadcast program, share your questions with your seminar coordinator and your colleagues during that time.

## **When the Session Has Concluded**

- Your feedback is valuable in ensuring the integrity of future programs. We take pride in providing relevant, thought-provoking and enlightening programs - and we rely on you to help make this happen. Complete your participant evaluation form on page 26 and fax the hard copy or complete the online evaluation form at:  
[http://www.linkageinc.com/training/satellites/satellite\\_evals.shtml](http://www.linkageinc.com/training/satellites/satellite_evals.shtml)
- To further reinforce your understanding of today's information, as well as hone other aspects of your leadership skills, complete the recommended Post-Broadcast Activities that begin on page 21.

## **Pre-Broadcast Activities**

Become familiar with Gary Hamel's extraordinary accomplishments by reading his biographical outline on the following page.

### Biography: Gary Hamel

Gary Hamel is a world-renowned management thought-leader who is as practical as he is profound. Fortune magazine labels him “the leading strategy expert in business today.” As the author of such ground-breaking concepts as “strategic intent,” “core competence” and “industry revolution,” Hamel has helped dozens of the world’s leading companies reinvent their strategies and management practices. Hamel’s landmark book, *Competing for the Future*, was a *Business Week* Management Book of the Year and has become the best-selling book ever on business strategy. In his latest book, *Leading the Revolution*, Hamel provides a detailed blueprint for building resilient organizations where innovation is an everywhere, all-the-time capability. In today’s turbulent world, Hamel’s practical advice on how to build a corporate-wide capacity for continuous renewal is extraordinarily relevant and timely. Hamel is visiting professor of strategic and international management at the London Business School, chairman of Strategos, a company dedicated to helping companies build high performance innovation systems, and director of the Woodside Institute, a non-profit research organization dedicated to the cause of increasing organizational resilience around the world.

- For further insights into Gary Hamel’s philosophy on innovation and strategy, we suggest the following readings:
  - ♦ *Competing for the Future*, Harvard Business School Press, 1996
  - ♦ *Leading the Revolution*, Plume Books, August 2002
  - ♦ *The World Bank’s Innovation Market*, Harvard Business Review, November 2002
  - ♦ *Innovation Now!*, Fast Company, Dec. 2002
  - ♦ *Why It’s Time To Take a Risk*, Biz 2.0, April 2003

**Activity: Innovation Blockages and Their Roots**

Adapted from: © Strategos, 2003

**Part One: Map Your Innovation Blockages**

Instructions:

- 1. Identify on Post-it notes innovation blockages in your company.
- 2. On a flipchart, place the Post-its in the relevant topic area or in the boxes below, write the blockages.
- 3. In small groups, discuss each topic area and vote on which blockages (top three) are most damaging to innovation overall.

<b>Related to Processes:</b>	<b>Related to Values:</b>
<b>Related to Skills:</b>	<b>Related to Metrics:</b>
<b>Related to Structure:</b>	<b>Other:</b>



**Part Two: Find the Roots of Innovation Blockages**

Instructions:

1. Write down the top three innovation blockages identified in Part One.
2. In your group, discuss each blockage and identify its possible root cause(s).
3. Individually, identify one action step you can take to address the root cause(s) and begin to move towards “unblocking the blockage.”

<b>Blockage 1:</b>          	→	<b>Causal Roots:</b>          	→	<b>Action Steps:</b>          
<b>Blockage 2:</b>          	→	<b>Causal Roots:</b>          	→	<b>Action Steps:</b>          
<b>Blockage 3:</b>          	→	<b>Causal Roots:</b>          	→	<b>Action Steps:</b>          

**During This Program**

- Participate!
- Submit questions to be addressed by Gary Hamel during the question-and-answer session. Mr. Hamel will respond to questions in the latter third of the program. To submit questions, either complete the fax form found on page 25, submit an e-mail, or call in when prompted during the program.
- Use the following Participant Materials as an additional resource to Mr. Hamel's presentation. Make notes on the presentation in the space provided.

[illegible]

**1. The skills and capabilities that managers of the 1990's possessed do not have the same value going forward in today's world:**

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*The 1990s are, like, so over.*

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**3. The world is becoming more turbulent faster than most companies are becoming more resilient:**

[illegible]

***Turbulence:***

- Connectivity
- Globalization
- New entrants
- Customer power
- Regulatory shifts
- Geo-political shocks
- Computational power
- Market fragmentation
- Real-time supply chains
- Accelerating capital flows
- Shrinkage of product life cycles

## Shrinking product life cycles

#### 4. Understanding resilience, renewal, and revolution:

### ***Resilience: Continual Reconstruction***

[illegible]

#### 4. Understanding resilience, renewal, and revolution (continued):

### ***Renewal: Creative Reconstruction***

[illegible]

#### 4. Understanding resilience, renewal, and revolution (continued):

### ***Revolution: Creative Deconstruction***

[illegible]



[illegible]

***Cognitive: Being able to understand how the world is changing and perceive this in an honest manner***

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

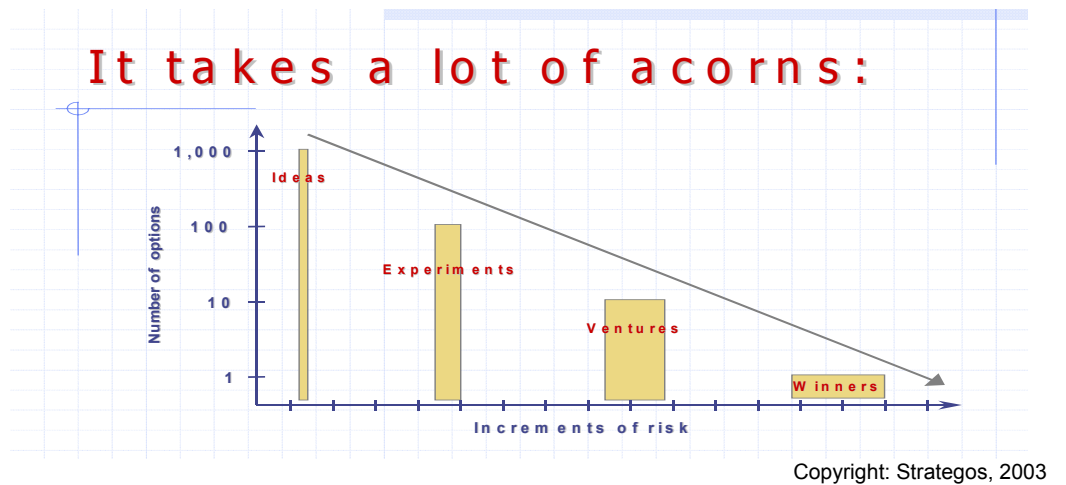
*“View every strategy as temporary.”*

*“Filter out the filterers.”*

*“Live on the fringe”*

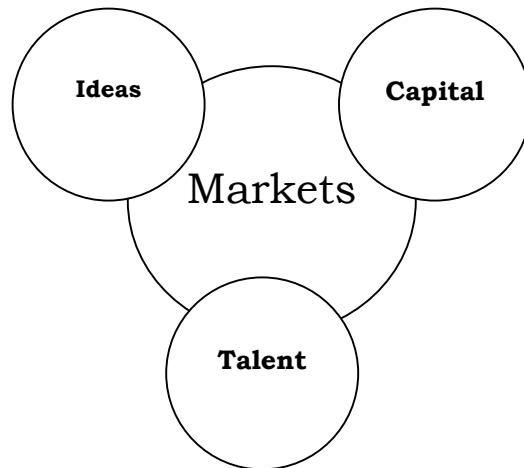
## 5. Getting started on the road to resilience *(continued)*:

**Strategic: Being able to create a variety of options that provide pathways which enable movement forward**



**5. Getting started on the road to resilience (continued):**

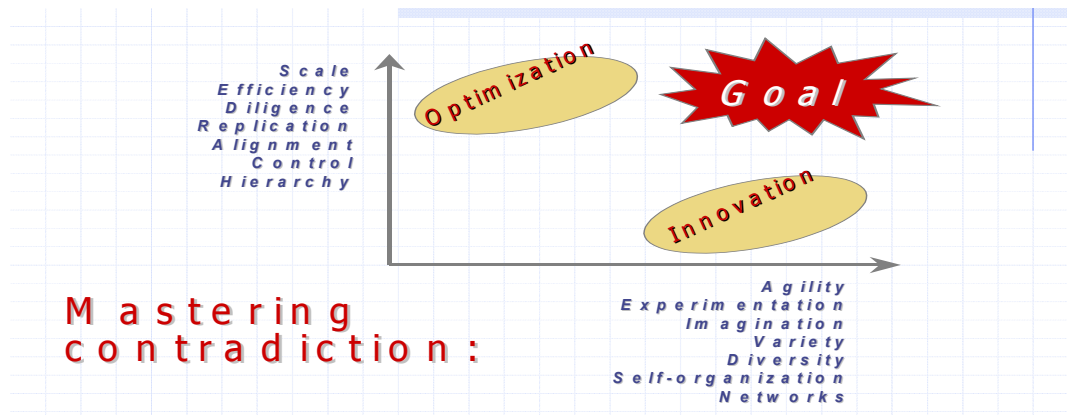
**Political: Being able to align talent and capital within an organization while managing the challenge of re-allocating resources**

[illegible]

Adapted from: © Strategos, 2003

### 5. Getting started on the road to resilience *(continued)*:

***Ideological: Being able to place a greater degree of effort on innovation within an organization***

[illegible]

Copyright: © Strategos, 2003

## Post-Broadcast Activities




Complete and submit the participant evaluation form found at: [http://www.linkageinc.com/training/satellites/satellite\\_evals.shtml](http://www.linkageinc.com/training/satellites/satellite_evals.shtml) or at the end of your participant materials.

### Activity 1: Orthodoxy Warm-Up Exercise

Copyright: © Strategos, 2003

Instructions:

1. Write down on Post-it notes, or in the boxes below, all the ways that Dell, IKEA, and Starbucks challenged industry conventions.
2. Each participant should then post their Post-it notes on a flip chart, describing and discussing them with their group.
3. Why would it be difficult for incumbents or competitors to respond? How would they have to change their business model?

	How did these companies challenge industry conventions?	Why would it be difficult for incumbents to respond?
		
		
		

**Activity 2: Uncovering Orthodoxies**

Adapted from: © Strategos, 2003

Instructions:

1. In a small group, think about and discuss the things you would never hear a customer say about your industry.
2. Write the seven that reveal the most about your industry's orthodoxies.

***Seven things you never hear a customer say about your industry:***

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_

3. Next, identify the beliefs that would be held in common by your major competitors. Write the seven that reveal the most about industry dogmas or beliefs.

***Seven things that your biggest competitors would believe in common:***

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_

4. Discuss with your group what the orthodoxies or traditions and beliefs you identified reveal. If you challenge each of these, what opportunities might arise?

***Revealed orthodoxies and potential opportunities:***

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_

**Activity 3: Action Planning**

1. Identify one step that you will take to enhance innovation within your organization:
  
  
  
  
  
  
  
  
  
  
2. Identify a daily or weekly practice to encourage yourself, your colleagues, and your peers that you cannot advance this cause as an individual, but a collective mindset can make this happen:
  
  
  
  
  
  
  
  
  
  
3. Set a time frame for when you will begin:

## **SECTION 2**

### **Forms**



**Question Sheet**

Use this form to write your question for Gary Hamel or for discussion among your colleagues. Please write clearly.

**Name (optional):**

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**Organization:**

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**Location:**

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**Your question (25 words or fewer):**

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Fax 1-877-892-0170 (from within U.S.)  
Fax 646-349-3661 (from outside U.S.)

Email **leadership2003@linkage-inc.com**

Tel 1-800-489-8814 (from within U.S.)  
Tel 801-303-7412 (from outside U.S.)

# LINKAGE MANAGEMENT & LEADERSHIP EVALUATION FORM

PLEASE RETURN THIS FORM TO YOUR SITE COORDINATOR OR FAX TO 781-402-5556.

NAME \_\_\_\_\_ TITLE \_\_\_\_\_

ORGANIZATION \_\_\_\_\_

**Please indicate functional area (only circle one):**

Finance   Human Resources/Organizational Development   Manufacturing/Operations   Marketing   R&D   Sales

Other (specify) \_\_\_\_\_

**How many people do you have reporting to you (include all levels)?** Number: \_\_\_\_\_

**Please indicate your job level (only circle one):**

☐ President or Officer   ☐ Vice President   ☐ Director   ☐ Manager/Supervisor   ☐ Individual Contributor

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**1) Please indicate a rating for each of the statements below by checking the appropriate box.**

	Strongly Disagree	Somewhat Disagree	Somewhat Agree	Strongly Agree
The length of the presentation was ideal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
As a result of participating in this program, I will be more effective in my role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The participant material were useful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Q&A session was valuable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2) Please give a general overall comment about the program.** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**3) Any suggestions on what we can do to improve?** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**4) Can we use any of these comments for promotional purposes (including name and organization)?**   YES   NO

**5) On a scale of 1-10 (10 = Outstanding), how would you rate this satellite broadcast session?** Rating: \_\_\_\_\_

**6) Which speakers are you most interested in seeing at the next Linkage Satellite (Distance Learning) Learning Series?**  
(Please rate your top five, "1" being most interested)

___ Peter Senge	___ Michael Dell	___ Ken Blanchard
___ Warren Bennis	___ Larry Bossidy	___ Deborah Tannen
___ Maya Angelou	___ Steve Jobs	___ Stephen Covey
___ Margaret Wheatley	___ Michael Porter	___ Tom Peters
___ Francis Hesselbein	___ Phillip Knight	___ John Scully
___ Michael Hammer	___ Noel Tichy	___ Louis Gerstner
___ Gary Hamel	___ James Champy	___ Rosabeth Moss Kanter
___ Other _____		

PLEASE RETURN THIS FORM TO YOUR SITE COORDINATOR OR FAX TO 781-402-5556.